CANADA'S PART *in the* GREAT WAR

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1. MILITARY EFFORT.

In the early months of 1914 Canada, for practical purposes, had no army. There was a permanent force of about 3,000 men, with no reserve; its purpose was partly to provide garrisons for our few fortresses, and partly to train the militia. The latter was a lightly trained force, rather well organized for a defensive war on its own soil. The number trained in 1913 was about 60,000.

The Canadian Expeditionary Force.—In the late summer and early autumn of 1914, the First Canadian Division of 33,000 men was raised and sent across the Atlantic. It left Gaspé Bay on October 3 and, after nearly three months of additional training in England, landed in France, at Ste. Nazaire, on February 11, 1915. The Second Division was formed immediately and landed in France on September 14, when the Canadian Army Corps was formed. The formation of the Third Division was authorized just before Christmas, 1915, and the Division was in France early in 1916. The Fourth Division joined the Canadian Corps in the middle of August, 1916. The Canadian Cavalry Brigade appeared in France in 1915. After the completion of the Canadian Army Corps the policy of the Dominion was to maintain a comparatively small number of divisions, but always to keep these at full strength, in order that the troops might have the encouragement of full ranks.

Enlistments.—The total number of men enlisted in Canada from the beginning of the war to November 15, 1918, was 595,441. The details are:—

Obtained by voluntary enlistment		465,984
Drafted or reporting voluntarily after the Military Service Act came into force		83,355
Granted leave or discharged		24,933
Overseas Service other than C.E.F.:—		
Royal Air Force	12,902	
Imperial Motor Transport	710	
Inland Water Transport	4,701	
Naval Service	2,814	
Jewish Palestine Draft	42	
		21,169
		595,441

The distribution of these men was as follows:—

C.E.F. proceeded overseas	418,052
Enlisted for Royal Air Force, etc	21,169
On the strength of C.E.F. in Canada and St. Lucia, including those under training as overseas reinforcements, Siberian Expeditionary Force, Canadian Garrison Regiment, Military Police Corps, Medical and Administrative Services, etc	36,533
On harvest leave without pay	15,405
Granted leave of absence without pay as compassionate and hardship cases	7,216
Number discharged in Canada who had not proceeded overseas for the following among other reasons, as below medical standard, absentees, aliens, to accept commissions, deaths, on transfer to British Army and Royal Air Force	95,306
Included in enlistment returns, for whom discharge documents have not been received, or in some cases duplicate enlistments. This number is being adjusted as further records are received	1,760
	595,441

In addition to the above, 14,590 British and Allied reservists went from Canada to rejoin the colours in their own countries.

Movement Overseas.—The number of men of the Canadian Expeditionary Force who had gone overseas on November 15, 1918, was 418,052.

The movement overseas by years was as follows:—

Before December 31, 1914	30,999
Calandar year 1915	84,334
" " 1916	165,553
" " 1917	63,536
January 1 to November 15, 1918	73,630

On September 30, 1918, about 160,000 men were in France and about 116,000 men in England.

Casualties.—The total casualties sustained by the Canadian Expeditionary Force, and reported up to January 15, 1919, were 218,433. The details are:—

	Officers.	Other ranks.	Total.
Killed in action	1,844	33,840	35,684
Died of wounds	614	11,823	12,437
Died of disease	227	3,830	4,057
Wounded	7,133	148,706	155,839
Prisoners of war	....	....	3,049
Presumed dead	142	4,540	4,682
Missing	37	361	398
Deaths in Canada	....	....	2,287
Total			218,433
Before December 31, 1915			14,500

By periods the casualties were (in approximate figures):—

Calendar year 1916	56,500
" 1917	74,500
" 1918	73,000

The following are the honours granted to members of the Canadian Expeditionary Force up to December 20, 1918:—

Victoria Cross	53
Distinguished Service Order	513
1st Bar to Distinguished Service Order	41
2nd Bar to Distinguished Service Order	6
Military Cross	1,882
Bar to Military Cross	99
Distinguished Conduct Medal	1,186
Bar to Distinguished Conduct Medal	16
Military Medal	6,697
1st Bar to Military Medal	271
2nd Bar to Military Medal	10
Meritorious Service Medal	430
Mentioned in Despatches	3,333
Royal Red Cross	192
Other British Honours	226

Foreign Decorations—
French, 410; Belgian, 7.
Serbian, 7; Italian, 28.
Montenegrin, 8; Russian, 159.

The Canadian Force at the Front.—The distribution of the Canadian troops in France and Belgium on September 30, 1918, was as follows:—

The Canadian Army Corps, forming part of the First British Army, consisted of four Divisions and Corps Troops.

Each Division consisted of three Infantry Brigades, each of which was made up of four Battalions of Infantry and one Trench Mortar Battery, and the following Divisional Troops: Artillery—Two brigades, two medium and one heavy Trench Mortar Batteries, and a Divisional Ammunition Column; one Battalion of the Machine Gun Corps; Engineers—three Engineer Battalions, one Pontoon Bridging Transport Unit, and one Divisional Employment Company; Divisional Train of four Companies; Medical Services—three Field Ambulances, one Sanitary Section

and one Mobile Veterinary Section; Divisional Signals of four Sections, one at Divisional Headquarters and one with each Brigade.

The Corps Troops were as follows:—

Corps Artillery: Three Brigades of Garrison Artillery containing twelve Siege Batteries and two Heavy Batteries, one Anti-Aircraft Battery of five sections, three Brigades of Field Artillery, two medium and one heavy Trench Mortar Batteries, one Divisional Artillery Ammunition Column, and two Motor Machine Gun Brigades.

Corps Engineers: Pontoon Bridging Unit, five Army Troop Companies, two Tramway Companies, an Anti-Aircraft Searchlight Company and Corps Survey Section.

Corps Medical Services: One Field Ambulance, one Sanitary Section, the Dental Laboratory and the Veterinary Evacuating Station.

Corps Signalling Services: The Corps Signal Company, two Motor Aid Line Sections, four Cable Sections, four Brigade Signal Sub-sections and one C.D.A. Brigade Detachment.

Army Service Corps: Headquarters Mechanical Transport Column, seven Mechanical Transport Companies, one Divisional Artillery Mechanical Transport Detachment, one Artillery Brigade Park Section and one Divisional Train Detachment.

Ordnance Services: Three Ordnance Mobile Workshops.

Miscellaneous: Infantry School, Machine Gun School, Lewis Gun School, Signal School, Gas Services School,

Instructors' Pool, Gymnastic Staff, Canadian Records List, Y.M.C.A. Services, Corps Military Police and two Railhead Army Post Offices. Labour Services—Labour Group Headquarters, four Labour Companies, a Pontoon Bridging Officers' Establishment and five Canadian Area Employment Companies.

Each Division contained 19,000 to 20,000 troops, and there were about 10,000 Corps troops, making about 90,000 men in the Corps.

The Canadian Cavalry Brigade formed part of the Third British Cavalry Division belonging to the Third Army and consisted of three Cavalry Regiments, a Machine Gun Squadron, the Royal Canadian Horse Artillery, a Signal Troop, a Field Ambulance and a Mobile Veterinary Section. There were about 3,000 men in the Brigade, which was part of the third Army.

The following Canadian Units, separate from the Canadian Corps, were attached to the five British Armies:—

First Army: Two Casualty Clearing Stations, one Sanitary Section, one Railhead Supply Detachment and two Battalions of Railway Troops.

Second Army: One Casualty Clearing Station, one Advance Depot Medical Stores, two Battalions of Railway Troops, two Auxiliary Horse Transport Companies, one Field Butchery, two Depot Units of Supply, a Railhead Supply Detachment and a Tunnelling Company.

Third Army: One Casualty Clearing Station, one Railhead Supply Detachment, three Battalions of Railway Troops and the Overseas Railway Construction Corps.

Fourth Army: One Medical Corps Mobile Laboratory, four Battalions of Railway Troops, one Light Railway Operating Company and one Broad Gauge Operating Company.

Fifth Army: One Battalion of Railway Troops.

On the Line of Communications and attached to British General Headquarters were the following: Thirteen Depot Units of Supply, four Field Bakeries and two Field Butcheries, which were distributed at Boulogne, Calais and Dieppe; six General Hospitals and six Stationary Hospitals, which were at eight different places; the General Base Depot, the Infantry Base Depot, the Machine Gun Base Depot, the Labour Pool, the Report Centre, the Command Pay Office, the Dental Store, two Field Auxiliary Post Offices, the Base Post Office, one Veterinary Hospital, one Battalion of Railway Troops, one Wagon Erecting Company and one Engine Crew Company.

The following troops of the Canadian Forestry Corps were distributed at eleven places in France: Sixty-three Forestry Companies, five District Workshops, one Construction Company, one Technical Warehouse, one Forestry Hospital and two Detention Hospitals.

There were altogether about 160,000 Canadians serving in France on September 30, 1918.

The Canadian Army Corps is commanded by Lieut.-General Sir Arthur Currie, with the following divisional commanders: 1st Division, Maj.-Gen. A. C. MacDonell. 2nd Division, Maj.-Gen. Sir H. E. Burstall. 3rd Division, Maj.-Gen. F. O. W. Loomis. 4th Division, Maj.-Gen, Sir D. Watson.

Operations.—The following summary gives only the more notable engagements in which the Canadian troops fought. In 1915 the First Division greatly distinguished itself in the second Battle of Ypres, on April 22, and again at Festubert and Givenchy, in May and June. In 1916 the Canadians, now forming three divisions, were very heavily engaged at St. Eloi in April, and at Sanctuary Wood and Hooge in June. In September, October, and November the four Canadian Divisions fought in the Battle of the Somme, especially distinguishing themselves at Courcelette, Mouquet Farm, and the Kenora, Regina, and Desire Trenches.

In 1917 the Canadian troops bore the largest part in the taking of Vimy Ridge (April 9) and of Arleux and Fresnoy (April 28 and May 3), and fought with great success in the advance on Lens and the taking of Hill 70 in August. They were again heavily engaged in the fighting round Passchendaele in October and November, capturing all their objectives in spite of severe losses.

In 1918 the Canadian Cavalry, Motor Machine Guns, and Railway Troops were active in the resistance to the German advance in March. The Canadian Corps was in the centre of the British front in the second Battle of Amiens, August 8-17, advancing 14,000 yards on the first day, the deepest advance made in one day during the war. In the Battle of Arras, at the beginning of September, the Canadians played an important part in the breaking of the Queant-Drocourt line, a part of the Hindenburg system. The Canadian casualties in these two actions were serious but less than the number of prisoners taken.

The Battle of Cambrai began on September 27 and on October 9 the Canadians, after heavy losses, took Cambrai and made large captures of men and material. In the final stage of the fighting Denain was taken by the Canadians on October 20, Valenciennes on November 2 and Mons at 4 a.m. on November 11, on which day the armistice came into force at 11 a.m.

The Canadian troops have captured 45,000 prisoners, 850 artillery guns and 4,200 machine guns, have retaken 130 towns and villages, and liberated 310,000 French and Belgian civilians.

Canadian units have also served in Palestine, Macedonia and Russia.

The Cavalry Brigade.—The Canadian cavalry fought, for the most part, separately from the Canadian Army Corps. They distinguished themselves in March, 1917, by the capture of six villages in two days, and in December gave valuable help in the attack on Villers-Guislains. In the German offensive of March and April, 1918, the Canadian Cavalry Brigade was actively engaged and suffered heavy casualties at Bois Moreuil, Rifle Wood and elsewhere. The Brigade fought as part of the Canadian Corps in the second Battle of Amiens and, in the great advance at the end of the fighting, captured the town of Le Cateau on October 9.

Railway Troops.—Canadian Railway Units were attached to all the British armies. Canadian Railway troops were responsible for the whole of the construction of light rail-

ways and of sixty per cent of the standard-gauge railways in the area occupied by the British forces

Forestry Troops.—In addition to the units of the Canadian Forestry Corps serving in France and mentioned above, a large number of Canadians have been engaged in Great Britain in cutting down and milling timber.

Army Medical Corps.—During the war 1,617 Medical Officers, 2,002 Nursing Sisters and 12,382 other ranks of the Canadian Army Medical Corps went overseas from Canada. There were in Canada at the end of the war 913 Medical Officers, 527 Nursing Sisters, 182 V.A.D. Nurses, and 4,012 other ranks.

The Medical Corps has in France 6 general hospitals, 6 stationary hospitals, 6 casualty clearing stations and 13 field ambulances, and in England 9 active treatment hospitals, 5 special hospitals, 5 convalescent hospitals and a special sanatorium. In Canada there are 65 military hospitals with 11,786 beds.

Some 22,300 patients were brought back to Canada in 1917 and 1918 on 35 passages of hospital ships. On 27 of these passages the C.A.M.C. provided the staffs of the ships. The *Llandovery Castle* was sunk by a submarine while returning from Canada to England.

Garrison Duty.—About 12,000 troops have been required in Canada for home defence—as garrisons for fortresses and guards for internment camps, canals, etc. Canada has also furnished a garrison for the important military post of St. Lucia, in the West Indies.

Imperial Services.—12,902 Canadians have joined the Royal Air Force and its predecessors the Royal Naval Air Service and the Royal Flying Corps. In addition, a number of Americans have been trained in Canada by the instructional staff of the Royal Air Force.

Some 4,701 men have been furnished from Canada for the Imperial Service known as the Inland Waterways and Docks. About 710 Canadians have joined the Imperi .l Motor Transport Service, and several hundred Canadians, mostly from the universities, have received commissions in the British Army. Canada has also furnished several hundred doctors and veterinarians, and about 200 nurses to the British Army.

Some 200 Canadian officers have been lent, as instructors, to the United States.

Several thousands of Poles, Serbians, and Montenegrins have been enlisted in Canada for service with their own countrymen.

Military Service Act.—Until the winter of 1917-18 the Canadian Expeditionary Force was recruited by voluntary enlistment. During the winter the Military Service Act came into operation, and after this time 83,355 recruits were obtained for the force. These were partly men who were drafted and partly men, in the classes called out, who reported voluntarily.

The enforcement of the Act was put in the hands of a special force of Dominion Police, which later became the

Canadian Military Police Corps. This body was assisted, in certain districts, by the Royal Northwest Mounted Police.

The number of cases investigated was 269,121, but as the men concerned moved from one place to another, it often occurred that one man was the subject of several investigations. Among these there were: 18,824 defaulters, who failed to register; 9,454 absentees, who failed to report when ordered; and 2,304 deserters, who absented themselves after being taken on the strength of a unit.

Royal Military College.—The Royal Military College has a very distinguished record in connection with the war. Of the 914 graduates and ex-cadets who have served, 353 were granted commissions direct from the College, and 43 enlisted with a view to obtaining commissions; 138 ex-cadets have been reported as killed in action, dead of wounds, or missing.

Ex-cadets of the College have won the following honours and decorations: 1 Victoria Cross and 3 recommendations for the Victoria Cross, 106 Distinguished Service Orders, 109 Military Crosses, 2 Distinguished Flying Crosses, 62 other British decorations, 42 foreign decorations.

Three Canadian and one Australian Divisions have been commanded by graduates of the College. The graduates who have served in the war include 1 Lieutenant-General, 8 Major-Generals, and 26 Brigadier-Generals.

The College has had between 1,300 and 1,400 cadets on its rolls since its foundation.

2. THE NAVAL SERVICE.

Cruisers.—At the outbreak of war in 1914 the Canadian Government possessed only two naval vessels, the *Niobe*, a cruiser of 11,000 tons displacement, with a main armament of sixteen 6-inch guns, stationed at Halifax, and the *Rainbow*, a small cruiser of 3,600 tons displacement, armed with two 6-inch, six 4.7-inch, and four 12-pounder guns, stationed at Esquimalt, on the Pacific. The *Rainbow*, which was ready for sea, patrolled, with other ships on the Pacific station, as far south as Panama, and captured several ships carrying contraband of war. After the entry of the United States into the war, she became depot ship on the Pacific coast. The *Niobe* was made ready for sea in September, 1914, and remained in commission one year, during which she steamed over 30,000 miles on patrol duty. She afterwards became depot ship at Halifax.

Smaller Vessels.—At the beginning of hostilities, various small craft were taken over by the Naval Department from the Departments of Marine and of Customs, and were armed and manned from the R.C.N.V.R. for the performance of patrol duties off the Atlantic coast. Two submarines, which were bought just before the declaration of war, patrolled the approaches to Victoria and Vancouver and helped in keeping Admiral von Spee's squadron away from the Pacific ports. H.M. sloop *Shearwater* was taken into the Canadian service as mother ship to these submarines and, in the summer of 1917, these three vessels went, by way of the Panama canal, to Halifax.

Trawlers and Drifters.—A patrol and mine-sweeping service has been carried on since the outbreak of war. The vessels used at first were Government and privately owned vessels which were taken over and equipped for the purpose. Some of these were placed at the disposal of the Government free of charge. Early in 1917 the Department of Naval Service undertook to have 60 trawlers and 100 drifters built in Canada for the Imperial Government. These vessels were built at various places on the St. Lawrence and the Great Lakes; many of them were in service, in Canadian and European waters in the year 1917, and all were in service in 1918.

The area patrolled under the Department stretched from the straits of Belle Isle to the bay of Fundy, and from Quebec to east of the Virgin Rocks. Within this area the Department had control of patrols, convoys, mine-sweeping, the protection of fishing fleets, etc. Only one large vessel was lost by enemy attack in this area.

At the date of the armistice the vessels in the Canadian Naval Service were as follows:—

On the Pacific.—H.M.C.S *Rainbow,* depot and training ship; H.M.S. *Algerine,* sloop; auxiliary patrol ship *Malaspina;* several motor launches for harbour defence.

On the Atlantic.—H.M.C.S Niobe, depot and training ship; H.M.C.S. *Shearwater,* submarine depot ship, and two submarines; H.M.C.S. *Grilse,* torpedo-boat destroyer; nine auxiliary patrol ships, forty-seven armed trawlers, fifty-eight armed drifters, eleven armed mine-sweepers and tugs, and a large flotilla of motor launches.

Personnel.—The crews of these vessels consisted of men from all parts of Canada, principally members of the Royal Canadian Naval Volunteer Reserve. At the date of the armistice the personnel of the service was:—

Officers and men of the Royal Canadian Navy, 749.

Officers and men of the Royal Canadian Naval Volunteer Reserve, 4,374.

Naval College.—Canada is fortunate in the possession of a small but excellent Naval College. More than 50 officers who passed out of the College as cadets are serving in either the Imperial or Canadian navy. Many of them have gained distinction, and four lost their lives in the battle of Coronel.

Canadians in the Imperial Naval Forces.—In addition to the men serving on Canadian vessels, over 1,700 men have been recruited in Canada for the Imperial Navy, and are on service in European waters; 73 Surgeon Probationers and a number of Hydrographic Survey Officers have been sent from Canada and 580 Canadians were enrolled as Probationary Flight Lieutenants in the Royal Naval Air Service, before recruiting for the Royal Air Force began in Canada. More than 500 Canadians holding commissions in the Royal Naval Volunteer Reserve are in the British Auxiliary Patrol and similar services.

Naval Air Service.—The Royal Canadian Naval Air Service was established in the summer of 1918, with stations at Halifax and North Sydney. It has co-operated with the United States Naval Aviation Corps in patrolling the coast and escorting convoys through the danger zone.

Wireless Service.—The Canadian Radiotelegraph Service controls about 200 stations ashore and afloat. Several new stations have been erected or taken over by the Department of Naval Service and there is now an unbroken chain of radio communication from St. John's, Newfoundland, to Demerara. The Department opened a training school for wireless operators, from which about 200 men have been sent out for service in all parts of the world.

Dockyards.—Important refitting, repairing, and supply work has been done by the Canadian dockyards. Large refits of Imperial and other ships were made at Esquimalt, including H.M.S. *Kent*, after the battle of the Falkland Islands, and the Japanese battleship *Asama*, after grounding on the coast of lower California. Several large cruisers were refitted at Halifax and Montreal. Other work included the defensive armament of merchant ships, the refitting of transports for troops, horses, and special cargo, and the loading and securing on ships' decks of 600 launches, tugs, etc., of large size.

The Halifax dockyard was seriously damaged by the explosion in the harbour on December 6, 1917, but immediate steps were taken to enable the services of the yard to be carried on.

Stores.—The Canadian Naval Service provided supplies for the ships of the Royal Canadian Navy and for a number of Imperial and Allied ships in Canadian waters, as well as many of the requirements of H.M. dockyards at Bermuda and Hong Kong. Large supplies were shipped from Halifax dockyard for provisioning the fleets in European waters.

A large coaling depot was established at Sydney for the use of patrolling vessels and of all convoys leaving the St. Lawrence.

The growth of the Naval Service since the outbreak of war is shown by the increase in the quantities of stores purchased in the last three fiscal years:—

1915-16	$ 2,500,000
1916-17	7,500,000
1917-18	10,000,000

Overseas Transport.—By arrangement with the Admiralty and the British Ministry of Shipping, the Director of Overseas Transport appointed by the Canadian Government controlled the inland traffic, by rail or otherwise, in food supplies and munitions for transport overseas, the reception and storage at ports of shipment, the allocation of cargo and its stowage on board the ships.

The average monthly export was: in 1915, 50,000 tons; in 1916, 170,000 tons; in 1917, 331,000 tons; and in 1918 (to December 1), 387,000 tons. From January 1, 1915, to December 1, 1918, over 11,250,000 tons of freight was shipped.

Shipbuilding carried out under the Department of Naval Service is referred to below under "Shipbuilding."

3. SHIPBUILDING.

SHIPS LAUNCHED BETWEEN JANUARY 1 AND DECEMBER 31, 1918.

—	Built to order of Imperial Munitions Board.	Built to order of Department of Marine.	Built under private contract.	Total.
Steel Vessels.				
Atlantic Coast	5	4	5	
Great Lakes	12	4	6	
Pacific Coast	6	3	.....	
Total	23	11	11	45
Deadweight carrying capacity (approximate)	114,863	48,000	45,304	208,167
Wooden Vessels.				
Atlantic Coast	14	.....	3	
Great Lakes	4	.....	.....	
Pacific Coast	27	.....	10	
Total	45	.....	13	58
Deadweight carrying capacity (approximate)	138,600	.....	20,600	159,200
Grand total: Ships	.....	.....	.....	103
Tonnage (approximate deadweight carrying capacity)	.....	.....	.....	367,367

N.B.—The above figures do not include a large number of craft of less than 1,000 tons.

A large Government shipbuilding programme is being carried out by the Department of Marine. Contracts have been authorized for 39 ships of 3,400 to 10,500 tons, having a total deadweight tonnage of 233,350. These ships are being, or to be, built at ten different Canadian shipyards.

The Department of Naval Service has had the following vessels built for various Governments during the war:—

For the Imperial Government.—Twelve submarines, 60 armed trawlers, 100 armed drifters, 550 coastal patrol motor boats, and 24 steel lighters for use in Mesopotamia, which were shipped in sections.

For the French Government.—Six armed trawlers and 36 coastal patrol motor boats.

For the Italian Government.—Six submarines.

For the Russian Government.—One large armed ice-breaker and some submarines.

4. FINANCE.

Government Loans.—The Canadian Government, since the commencement of the war, has issued domestic loans as follows:—

	Amount of Loan.	No. of Subscribers.
1. 1915-1925, 5 per cent..	$ 100,000,000	24,862
2. 1916-1931, 5 per cent..	100,000,000	34,526
3. 1917-1937, 5 per cent..	139,000,000	41,000
4. 1917-1937, (Victory Loan), 5½ per cent.	398,000,000	820,035
5. 1918 (2nd Victory Loan) 5½ per cent.	660,000,000	1,067,879

In addition, War Savings Certificates to the amount of approximately $12,500,000, as well as a considerable amount of debenture stock, have been sold, bringing the Government's borrowings from the people of Canada since the beginning of the war to the total sum of $1,436,000,000, or in other words, $192 per capita of the population of the Dominion.

Advances between the Dominion Government and Great Britain.—Since the outbreak of war to November 30, 1918, Canada has established credits on behalf of the Imperial

Government to the amount of $709,000,000. Through these advances Great Britain was able to finance the purchase of foodstuffs, hay and other commodities and to carry on the operations of the Imperial Munitions Board in Canada.

In addition to the above, Canadian chartered banks have advanced to the Imperial Government through the medium of the Minister of Finance the sum of $200,000,000 for the purchase of munitions and wheat. This was made possible by the large savings deposits in Canadian banks, which from August, 1914, to October 31, 1918, despite the withdrawals for subscription to war loans, increased by $417,115,476.

On the other hand, Great Britain has made advances to the Dominion totalling $609,000,000. These credits were chiefly for the maintenance of the Canadian troops overseas.

REVENUE AND EXPENDITURE—March 31, 1914—March 31, 1918.

	Revenue.	Expenditure,—Consolidated Fund.
1914-15	$ 133,073,481	$ 135,523,206
1915-16	172,147,838	130,350,726
1916-17	232,701,294	148,599,343
1917-18	260,778,952	178,284,313

The Consolidated Fund expenditure for 1917-18 includes payment of interest, amounting to $47,845,584, and pensions of $8,155,691, or some $56,000,000 altogether, whereas prior to the war the outlay on interest was but $12,000,000 and on pensions practically nil.

	Expenditure, Capital Account.	Expenditure,—War Account.
1914-15	$ 41,447,320	$ 60,750,476
1915-16	38,566,950	196,197,755
1916-17	26,880,031	306,488,814
1917-18	43,111,904	343,836,802

Up to November 30, 1918, the total outlay for the war was approximately $1,068,606,527. This amount includes all expenditures in Canada, Great Britain and France, and is also inclusive of the upkeep of the troops overseas. The interest and pension payments attributable to the war amount for the entire war period to approximately $76,000,000. These have been provided from the Consolidated Revenue Fund.

Net Debt.—The net debt of Canada, which before the war stood at about $336,000,000, has now passed the billion-dollar mark, and on November 30, 1918, amounted to $1,307,429,661. The increase is almost entirely attributable to war expenditures.

WAR TAXATION.

Tax on Luxuries.—Taxation on luxuries has been gradually introduced since the beginning of the war as it was justified by the financial condition of the country. Increased customs duties and higher rates of excise on certain commodities, including liquors and tobacco, imposed soon after the commencemest of the war were followed in 1915 by a war tax on transportation tickets, telegrams, money orders, cheques, letters, patent medicines, etc. In 1915 an increase of 7½ per cent *ad valorem* to the general tariff and 5 per cent *ad valorem* to the British preferential tariff was made on all commodities with the exception of certain foodstuffs, coal, harvesting machinery, fisheries equipment, etc.

Increase of Customs Duties.—In 1918 a special customs duty was imposed on tea and coffee and the excise on tobacco was increased. In addition, various other taxes

were imposed or increased, and a special war excise tax was imposed on various articles, including automobiles, jewellery, etc.

Business Profits Tax.—Under the Business Profits War Tax Act, as at present amended, the Government, in the case of all businesses having a capital of $50,000 and over, takes 25 per cent of the net profits over 7 per cent and not exceeding 15 per cent, 50 per cent of the profits over 15 per cent and not exceeding 20 per cent, and 75 per cent of the profits beyond 20 per cent. In the case of businesses having a capital of $25,000 and under $50,000 the Government takes 25 per cent of all profits in excess of 10 per cent on the capital employed. Companies employing capital of less than $25,000 are exempted, with the exception of those dealing in munitions or war supplies.

Income Tax.—The Canadian income tax, which came into effect in the year 1918-19, is in many respects higher than that in force in the United States. The scale provides for the exemption of incomes, in the case of unmarried persons with an income of $1,000 and under, and in the case of married persons with an income of $2,000 and under. There is also provision for the exemption of $200 for each child. The present scale of income tax is illustrated by the following table:—

Income. (Married Persons.)	Tax.	Income. (Married Persons.)	Tax.
$ 3,000	$ 20	$ 100,000	$ 17,607
6,000	140	500,000	195,407
10,000	392	1,000,000	499,157
50,000	5,782	2,000,000	1,228,157

Proceeds of Taxation, 1917-18.—During the last fiscal year the Dominion Government collected by way of war taxation the following (in approximate figures):—

Tax on Trust and Loan Companies	$ 267,500
Tax on Insurance Companies	385,000
Tax on Banks	1,115,500
Inland Revenue from Railways, Steamships, Telegraph and Cable Companies, etc.	2,230,000
Extra Postage on letters, etc.	5,800,000
Business Profits War Tax	21,275,000
Increased Customs duties	45,000,000
Total	$ 76,073,000

WAR SAVINGS AND THRIFT STAMPS.

The issue of $50,000,000 worth of War Savings Stamps was begun in the latter part of 1918, with the object of encouraging thrift and saving among the people of Canada. The work is in the hands of the National War Savings Committee, the members of which are drawn from the nine provinces, and the Dominion has been divided into thirteen districts, each with its own organization. For a War Savings Stamp, the cost of which at the end of 1918 or the beginning of 1919 was $4, the Government will pay $5 in 1924. Thrift stamps, which cost 25 cents each, are a means of buying War Savings Stamps on the instalment plan.

GOLD SHIPMENTS.

Reference should be made to the fact that since the outbreak of the war quantities of gold coin and gold bullion to the value of $1,300,000,000 have been received at Ottawa by the Department of Finance as trustee for the Imperial Government and the Bank of England.

ROYAL MINT, OTTAWA.

The work of the Royal Mint, Ottawa, which is a branch of the Royal Mint, London, has been greatly increased by war conditions.

When the large deposits of gold, referred to above, were received by the Department of Finance, it was necessary that their value should be ascertained and that a certain quantity of gold bullion should be refined. The heavy demand on the gold refinery at the Mint led to the construction (in eight weeks) of a second plant with a monthly output of a million ounces of fine gold. Through this extension this refinery has developed the largest capacity of any gold refinery in the world.

The special work of the refinery due to the war is shown by the following figures:—

Gold bullion received for refining.. .. 15,992,770.25 oz. gross.
Total gold bars produced.. .. .. .. 14,048,803.958 oz. fine; value, $290,414,547.
Fine silver recovered.. .. .. 1,175,500.03 oz. fine;
In 1918, also, 4,197,600 shilling blanks have been produced for the Royal Mint, London.

Newfoundland and Jamaica Coinage.—The war having made it impossible to get supplies of coin from England, coinage was carried out by the Ottawa Mint in 1917 and 1918 as follows: 1,670,000 silver pieces and 700,000 bronze pieces for Newfoundland and 642,961 pieces in nickel-copper for Jamaica.

In addition to the above operations, certain parts for gun-sights were produced at the Royal Mint, Ottawa, for the Imperial Government. They consisted chiefly of eye-piece cells, and the total production up to December 20, 1918, of this equipment amounted to 31,587 parts.

5. MUNITIONS.

The following figures give some idea of what Canada has accomplished in the production of munitions of war:—

Value of Munitions and Materials Exported from Canada.	
1914 to December 31	$ 28,164
1915 "	57,213,688
1916 "	296,505,257
1917 "	388,213,553
1918 "	260,711,751
	$ 1,002,672,413

Quantities Exported.	
Shells	65,343,647
Fuses	29,638,126
Fuse parts	16,174,073
Cartridge cases	48,627,673
Percussion primers	35,386,488
Exploder containers	13,285,000
Shell and adapter forgings	6,412,115
Explosives and Chemicals—	Lbs.
T. N. T.	41,754,950
Cordite	28,542,157
Other (more than)	41,000,000
Metals and Compounds—	
Steel bars	43,077,923
Zinc	35,412,413
Nickel	1,792,000
Other (more than)	27,000,000
Lumber for Aeroplanes—	Feet.
Spruce	16,289,227
Fir	6,801,324
Other Lumber—	
Douglas fir	11,530,315
Pine, various kinds and qualities	10,360,566
Spruce	8,345,675
Workers engaged in war contracts	200,000 to 300,000
Persons handling and transporting stores, about	50,000
Contractors in Canada for munitions, about	1,000

The following is a brief sketch of the growth of the munitions industry in Canada:—

The Shell Committee.—Shortly after the outbreak of war, inquiries were made of the Department of Militia and

Defence by the War Office as to the possibility of obtaining a supply of shell from Canada. Ensuing negotiations led to the appointment by the Minister of Militia, in September, 1914, of an honorary committee, known as the Shell Committee, to undertake the task of supplying shrapnel shell to the Imperial Government. Its status was nominally that of contractor to the British Government, but really that of agent for the purpose of placing contracts on behalf of the War Office.

Basic steel, the only kind of steel made in Canada, was found by experiment to be suitable for the manufacture of shells. The first shipments of shell from Canada were made in the month of December, 1914, and by the end of May, 1915, approximately four hundred establishments in Canada were engaged in the manufacture of shells or component parts.

The Imperial Munitions Board.—By November, 1915, the Imperial Government had placed orders in Canada for munitions to the amount of approximately $300,000,000. This represented such a great volume of business that it was considered desirable to form a Board directly responsible to the Imperial Ministry of Munitions. The operations of the Shell Committee, therefore, were passed over to the Imperial Munitions Board. The general policy of the Committee, maintained by the Board, was that of eliminating the middleman and dealing as far as possible with those who would actually perform the work. In pursuance of this policy raw materials of every description were purchased and passed on from one contractor to another, each being

paid successively for his labour. This plan had the advantage of saving the contractor large investments of capital otherwise necessary to produce complete shell, and at the same time of enabling a proper distribution of the materials available so that the maximum production might be secured. Contractors were given the opportunity to pay for their necessary investment of capital from the profits derived from their contracts. Generally speaking, this has been accomplished. Subsequently the business was placed upon a competitive basis.

Organization of the Board.—The chairman, with full administrative and executive authority, has been assisted by a Board, four members of which have given constant service. Business men were asked to take charge of the various departments, numbering about twenty. These directors carried on their duties in Ottawa, in Toronto, in Vancouver and in Victoria. The following were the more important of these departments:—

1. The Purchasing and Steel Department bought all the materials entering into munitions, arranged for the forging of steel, and distributed the forgings and components to the machining plants situated in the various provinces.

2. The Shipbuilding Department purchased and supervised the construction of engines and boilers for the wooden ships referred to below, purchased the timber and supplies for the hulls, and had an operating section which installed the engines, boilers, and equipment in these vessels.

3. The Explosives Department operated the three National plants at Trenton, Renfrew, and Nobel, producing nitrocellulose, cordite, and T.N.T., with the necessary acid plants, and operated the plant producing acetone and methylethylketone.

4. The Forging Department operated the National plant, at Toronto, in which the steel turnings were melted in electric furnaces, and the steel thus produced subsequently converted into forgings.

5. The Aviation Department operated the plant, at Toronto, producing aeroplanes, and in its constructional section built all aerodromes, machine shops, barracks and officers' quarters at the various camps, and purchased all supplies and equipment for the Royal Air Force.

6. The Timber Section, producing aeroplane spruce and fir, conducted logging operations in British Columbia, and operated tugs for the delivery of logs to mills which cut them for account of the Board.

7. The Fuse Department operated the National plant at Verdun, where time fuses were loaded.

8. The Engineering Department checked and rectified all gauges, keeping for this purpose a staff of engineers and an operating force of expert toolmakers.

9. The inspection was all carried out under the Director of Inspection, a British officer, responsible to the Director-General of Inspection in Great Britain.

10. The administrative staff comprised from 1,000 to 1,500 men and women, the number varying with the degree of urgency.

Raw Materials.—The operations of the Board were concerned with every kind of war material and the Board has explored and made available for war purposes natural resources which were hitherto undeveloped. Industries new to Canada were established. In collaboration between the Board and the Dominion Department of Mines, there has been an extensive production of alloys to be used in the manufacture of high-speed cutting tools. The development of the explosive and propellant industry in Canada has been an important achievement.

Shipbuilding.—The shipbuilding contracts placed by the Board have a value of some $70,000,000 and represent 43 steel ships and 58 wooden ships aggregating 360,000 tons. Only two or three builders of wooden ships in Canada were able to construct vessels of the necessary size. The Board took over two existing yards and constructed four others on the Pacific coast, and in Eastern Canada arranged for the building or enlargement of eight yards.

Aeroplanes.—A National plant was established for the construction of aeroplanes for training purposes, of which more than 2,500 were produced. This plant, latterly, produced bombing planes for the United States Navy.

Additional Functions of the Board.—The Board acted as general and exclusive purchasing agent on behalf of the War Office, the Admiralty, the British Timber Controller, the Department of Aeronautics and the Ministry of Munitions. It also acted as agent for the United States Ordnance Department in arranging contracts for munitions and

supplies, placed by the United States Government in Canada.

In the report issued by the Imperial War Cabinet for the year 1917, Canada's services to the Empire in the production of munitions are referred to as follows:—

"Canada's contribution during the last year had been very striking. Fifteen per cent of the total expenditure of the Ministry of Munitions in the last six months of the year was incurred in that country. She has manufactured nearly every type of shell from the 18-pounder to the 9.2-inch. In the case of the 18-pounder, no less than 55 per cent of the output of shrapnel shells in the last six months came from Canada, and most of these were complete rounds of ammunition which went direct to France. Canada also contributed 42 per cent of the total 4.5-inch shells, 27 per cent of the 6-inch shells, 20 per cent of the 60-pounder H.E. shells, 15 per cent of the 8-inch and 16 per cent of the 9.2-inch."

6. WAR TRADE.

The following table shows the exports in certain Canadian commodities, having a direct bearing on the war, for the last three fiscal years before the war (1912-13-14), and for the last fiscal year (1918); and illustrates the increase, during this period, in the quantity of these articles exported:—

Commodities.	Unit of Quantity.	Quantities.		Values.	
		Average for 1912-13-14.	1918.	Average for 1912-13-14.	1918.
				$	$
Butter	lb.	3,633,825	4,926,154	870,180	2,000,467
Cheese	"	154,381,808	169,530,753	20,151,582	36,602,504
Clothing	.....	.....	.....	337,047	9,702,207
Eggs	doz.	158,217	4,896,793	43,131	2,271,299
Oats	bush.	18,118,631	54,877,882	7,422,480	37,644,293
Wheat	"	92,686,291	159,392,037	89,639,503	366,341,565
Wheat flour	brl.	4,349,687	9,931,148	18,861,944	95,896,492
Leather	.....	.....	.....	2,162,662	10,986,221
Meats—					
Bacon	lb.	39,683,969	199,957,475	5,544,801	57,995,116
Beef	"	5,217,652	86,565,104	449,872	13,016,378
Canned meats	"	377,308	13,422,624	48,664	3,695,384
Pork	"	922,406	7,909,803	103,217	2,052,192
Metals—					
Copper, nickel, brass and aluminium	cwt.	1,366,384	2,753,976	15,323,513	46,271,848
Iron and steel	"	.....	.....	*11,374,981	45,810,367
Printing paper	"	4,393,706	12,101,865	6,790,299	33,978,347
Tobacco	"	.....	.....	101,119	1,682,357
Vegetables	.....	.....	.....	1,205,709	19,034,528
Vehicles	.....	.....	.....	2,871,163	22,776,590
Wood-pulp	cwt.	6,017,595	9,696,704	5,656,224	25,620,892
Total	.....	.....	.....	188,958,091	833,389,047

* 1914 only.

War Trade Board.—The War Trade Board was organized in February, 1918, for the purpose of (1) controlling the export from Canada of articles essential to war industry, the supply of which is limited, (2) controlling the import into Canada of less essential articles, (3) supervising the

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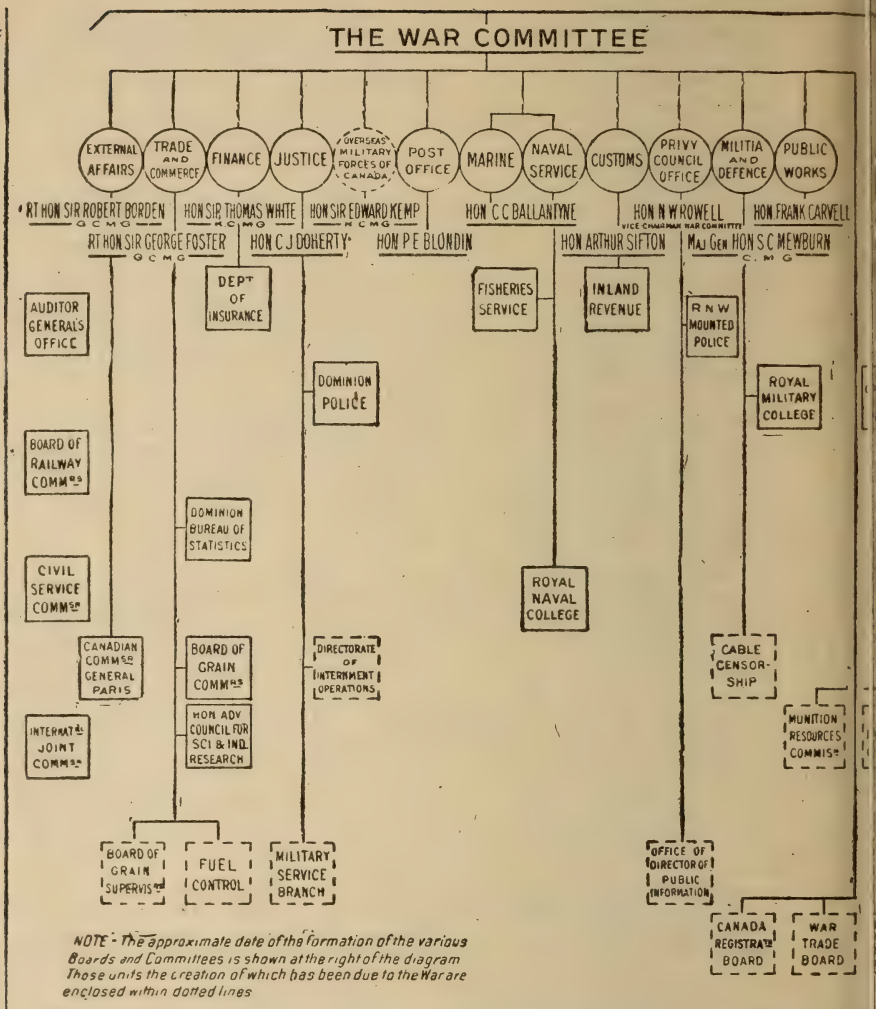
THE WAR COMMITTEE
EXTERNAL AFFAIRS
TRADE AND COMMERCE
FINANCE
JUSTICE
OVERSEAS MILITARY FORCES OF CANADA
POST OFFICE
MARINE
NAVAL SERVICE
CUSTOMS
PRIVY COUNCIL OFFICE
MILITIA AND DEFENCE
PUBLIC WORKS
RT HON SIR ROBERT BORDEN G C M G
HON SIR THOMAS WHITE K C M G
HON SIR EDWARD KEMP K C M G
HON C C BALLANTYNE
HON N W ROWELL VICE CHAIRMAN WAR COMMITTEE
HON FRANK CARVELL
RT HON SIR GEORGE FOSTER G C M G
HON C J DOHERTY
HON P E BLONDIN
HON ARTHUR SIFTON
MAJ GEN HON S C MEWBURN C M G
AUDITOR GENERAL'S OFFICE
DEPT OF INSURANCE
FISHERIES SERVICE
INLAND REVENUE
R N W MOUNTED POLICE
DOMINION POLICE
ROYAL MILITARY COLLEGE
BOARD OF RAILWAY COMMRS
DOMINION BUREAU OF STATISTICS
CIVIL SERVICE COMMSN
ROYAL NAVAL COLLEGE
CANADIAN COMMR GENERAL PARIS
BOARD OF GRAIN COMMRS
DIRECTORATE OF INTERNMENT OPERATIONS
CABLE CENSORSHIP
INTERNATL JOINT COMMSN
NON ADV COUNCIL FOR SCI & IND RESEARCH
MUNITION RESOURCES COMMSN
BOARD OF GRAIN SUPERVISR
FUEL CONTROL
MILITARY SERVICE BRANCH
OFFICE OF DIRECTOR OF PUBLIC INFORMATION
CANADA REGISTRATN BOARD
WAR TRADE BOARD
NOTE - The approximate date of the formation of the various Boards and Committees is shown at the right of the diagram Those units the creation of which has been due to the War are enclosed within dotted lines

Chart showing Organization of Canadian G

The Prime Minister is Chairman of both committees of the cabinet.
Hon. A. K. Maclean of t

T OF CANADA

SIR ROBERT BORDEN, G.C.M.G. ETC.

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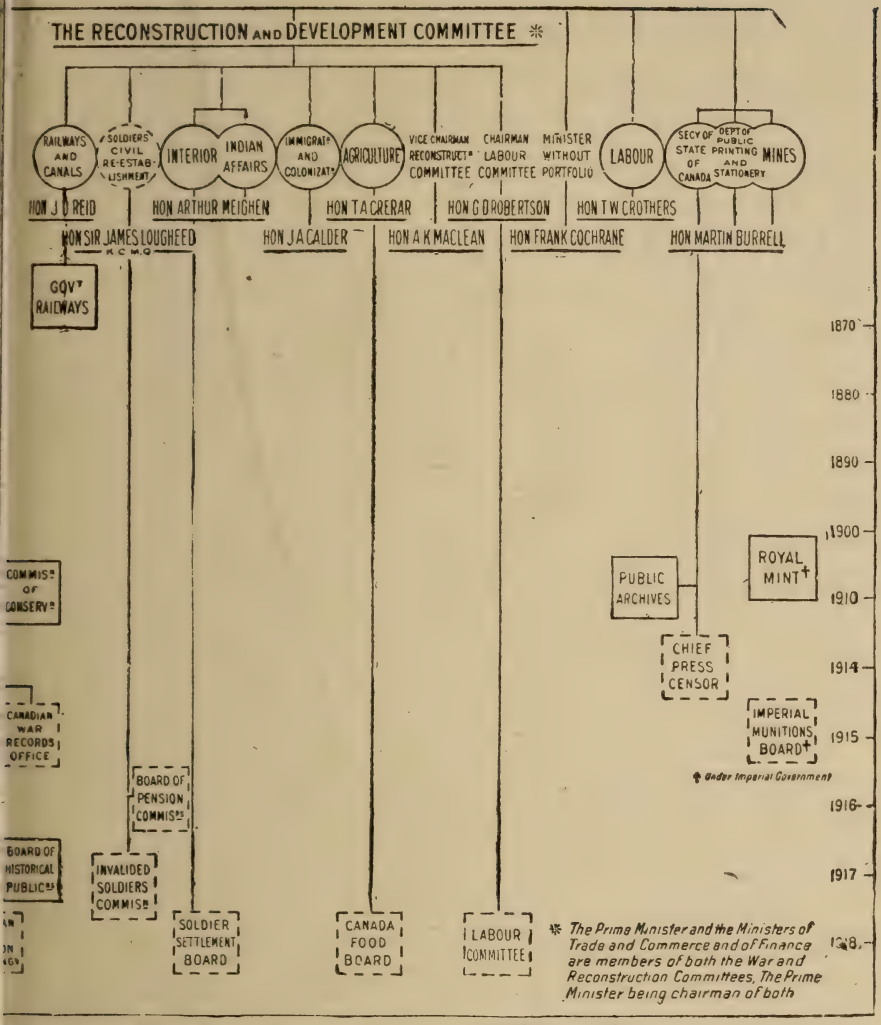


ıment and its Development up to July, 1918.

Hon. N. W. Rowell is vice-chairman of the War Committee and the :onstruction Committee.

raw materials of the country in order that a proper use may be made of these in the prosecution of the war. Under the authority given it the Board has made many important arrangements with regard to Canadian trade.

Board of Grain Supervisors.—As the result of a conference between the Government and buyers and sellers of grain, the Board of Grain Supervisors was created in June, 1917. The board is not a buying corporation but a regulating body, whose primary functions are first, to regulate the price at which grain shall be bought and sold, and second, to regulate the distribution of the grain to the best advantage of the producers, the grain trade, the consuming public and overseas purchasers. The board works in harmony with the Canada Food Board, the various grain exchanges and the British and Allied Purchasing Commissions.

As the necessary funds are raised by assessments on millers and other purchasers, the board is self-supporting.

War Mission to Washington.—In order to provide adequate representation of the interests of Canada in the United States and to secure the most effective co-operation between the two countries in respect of economic and financial measures connected with the prosecution of the war, a Canadian War Mission to the United States was established early in 1918. The chairman of the mission was empowered to represent the Cabinet and the Government departments of Canada in negotiations, relating to purely Canadian affairs, with Government departments of the United States and with other British or Allied missions to the United States.

7. FOOD CONTROL.

The office of Food Controller was created in Canada in June, 1917. In February, 1918, the powers and duties of the Controller were vested in the Canada Food Board, which was then established.

The function of the Food Board was, generally, to secure the largest possible supply of food to the fighting forces of the Allies and to the civil population in Europe by means of increased production and conservation of food in Canada.

Increased Production.—Early in 1918 steps were taken to add to the production of Canadian farms. Over 1,100 farm tractors were bought and resold to farmers at cost price. These were distributed as follows:—

British Columbia	21
Alberta	334
Saskatchewan	382
Manitoba	149
Ontario	203
Quebec	9
New Brunswick	5
Nova Scotia	14
Prince Edward Island	6
	1,123

Under a plan which was called the "Soldiers of the Soil," 14,685 boys between the ages of 15 and 19 were enrolled and 11,952 of these were placed on farms in Canada in 1918.

The following figures show the increase of the acreage of the principal crops:—

	1917 Acres.	1918 Acres.
Wheat	14,755,850	17,353,902
Oats	13,313,400	14,790,336
Barley	2,392,200	3,153,811
Rye	211,880	555,294
Mixed grains	497,326	1,068,120

These were much larger than the areas of the crops before the war.

The total value of all field crops in 1917 was $1,144,136,450 and in 1918, $1,337,350,870, an increase of 16·8 per cent. Both these values were higher than those of any preceding year.

Fish.—Since July, 1917, the consumption of fish in Canada has increased fully 100 per cent. The export of western lake fish has been reduced from 85 to 50 per cent, the difference being consumed in Canada. A new fishery has been established on the Pacific coast, and half a million pounds per month of fish from the Pacific are being consumed in Canada.

The Atlantic trawling fleet has been increased and haddock, cod, mackerel and herrings are brought to the Ontario markets.

Conservation.—After some months spent in study of the sources of supply and stocks of food and in instructing the public in the necessity for carefulness in food consumption, restrictions were placed on the serving of beef and bacon in public eating places in August, 1917. From this point of departure there was an ever-widening extension of the system, which secured to the board effective control of practically all the food existent and in prospect in Canada.

During the first full year of food-control the net exports of beef increased by nearly 75,000,000 pounds per annum or 6,795 per cent over the average for 1910-14. The net exports of pork increased by 125,000,000 pounds or 571 per cent over a five-year pre-war average.

Butter, of which 7,000,000 pounds were imported annually before the war, is now exported to the amount of 4,000,000 pounds annually, after domestic requirements have been met.

Limitations have been placed on the profits of all packers of meats and regulations have been made regarding the distribution of their products.

Wheat and Flour.—While the price of wheat has been fixed by the Board of Grain Supervisors, the Food Board has controlled the millers' profits on flour and the margin of profits made by wholesale merchants. Flour has been standardized and the extraction of flour increased to 74 per cent of the wheat. By this means and by the use of substitutes for wheat-flour a large saving has been made. The present Canadian consumption of wheat-flour is about 600,000 barrels per month, as against 800,000 barrels before the war.

The following are the quantities of wheat, flour and oatmeal exported from Canada between August 1, 1917, and July 31, 1918:—

	Bushels.
Wheat	118,579,601
Flour	11,257,942
Oatmeal	372,302

Sugar.—Owing to the shortage of sugar, limitations had to be put on its consumption. The order of the board on this subject applied to hotel and restaurant keepers, private consumers, candy manufacturers, bakers and confectioners. A saving at the rate of 100,000 tons annually has been effected.

Licenses and Permits.—All dealers in foods have been placed under license and required to operate under the regulations made by the board. The following shows the numbers of licenses granted by the board up to November 7, 1918:—

Wholesale fish	1,717
Cereals	110
Wholesale fruits and vegetables	1,729
Millers	650
Bakers	2,637
Wholesale grocers	929
Wholesale produce	1,211
Retail grocers	35,704
General retail	12,348
Public eating places	15,826
Confectioners	1,093
Wholesale flour and feed	437
Packers	379
Canners	511
Manufacturers using sugar	657
	75,938

A system of permits has been established for the control of foods entering and leaving Canada. No one can ship foodstuffs abroad nor receive foreign foodstuffs without written permission of the Food Board. There have been issued 8,291 import permits and 13,293 export permits.

Prevention of Waste.—The board has power to take measures to prevent the loss or deterioration of foodstuffs in transit by railway. If a car containing food is detained at its destination more than four days and the contents are likely to deteriorate the board can seize and sell the food to the best advantage. The balance, after paying the costs, is remitted to the owner of the food. About 12,000 cars have been dealt with in this manner.

Numerous regulations which have been made by the board concern: the prohibition of the use of grain in making liquors, the control of the feeding of grain to live stock, the prevention of the hoarding of flour and sugar, the compulsory sale of food in cases where excessive quantities are held in stock, etc.

8. FUEL CONTROL.

The chief functions of the Fuel Controller are, first, to stimulate coal production in Canada, secondly, to procure from the United States the normal supply of coal on which Central Canada to a great extent depends, and thirdly, to make an equitable distribution amongst the various provinces of whatever coal is available from production and importation.

The output of coal in the United States has been reduced by labour difficulties, and both the congestion of the railways and the increased requirements for coal in the United States made it difficult to obtain the adequate supplies for Canada. Comparatively little shortage has, however, been felt in the Dominion owing to the close co-operation between the two countries in the matter of coal distribution.

The production of coal in Canada in 1918 is estimated to be more than 1,000,000 tons larger than in 1917. This is chiefly due to increased production in Alberta.

The coal trade in Canada is now operating under a license system. Prices from the mines to the retail dealer are controlled, and the authorities are empowered to direct the

distribution of coal in certain cases, and to requisition coal in the hands of consumers in the event of an emergency justifying such action. The Fuel Controller is also empowered to deprive individual consumers of coal supplies where electrical energy could be made a practical substitute.

Each municipality is required to appoint a local fuel commissioner, who reports to provincial fuel administrators. These latter officers act within their provinces as assistants to the Federal Fuel Controller.

9. TRANSPORTATION.

The transportation burdens due to the war rendered it necessary to depart from the usual practice by which railways in Canada were operated as single and independent units. The first step taken in that direction was an amendment to the Railway Act during the session of 1915-16, when, on the request of the Board of Railway Commissioners, the Board was empowered to take traffic in a congested grain area from the line to which it was tributary, and hand it over to other lines at any intermediate points at which a transfer could or should be made.

The power thus conferred on the Board has been used to a large extent. It has enabled the large grain production of the West to be marketed practically without loss, through the diversion of traffic to the route, irrespective of its ownership, which at the time was least congested; and it has enabled the transportation of grain and flour to Great Britain and the Continent to be maintained at the greatest possible speed. Thousands of cars of grain grown in Cana-

dian Northern prairie territory have been thus diverted from congested Canadian Northern areas over the lines of the Canadian Pacific Railway and Grand Trunk Pacific Railway. This practice, commencing with wheat, was extended to coal and then to the movement of other bulk commodities. In general, wherever it would afford quicker transportation, "rerouting" has been carried out. The result is that the Canadian lines, in so far as actual transportation is concerned, have been treated as a single unit and worked for the purpose of obtaining the best results.

The Canadian Railway War Board.—After the entry of the United States into the war the great industrial and agricultural activity, together with the movement of troops, caused the American railway lines and terminals to become blocked, and put an increased burden on the Canadian transportation systems.

In order to provide a freer and more perfect co-ordination of the systems, the Canadian Railway Association for National Defence, now termed the Canadian Railway War Board, was formed. The activities of the War Board have materially assisted the railways to cope with the problems created by the war.

Purchase of Equipment.—The Government has helped to bring about these results, particularly, by the purchase of 260 locomotive engines of various types and about 17,000 freight cars, a number of which are leased by the Government to the systems that have not been in position to obtain satisfactory deliveries for their requirements.

10. VOLUNTARY WAR ORGANIZATIONS.

General Statistics.—The following is a summary of gifts for various war purposes from the Federal and Provincial Governments, from municipalities, societies, universities, business houses and other corporations, and from private individuals:—

Canadian Patriotic Fund (to Nov. 30, 1918)	$42,864,207
Manitoba Patriotic Fund (to March 31, 1918)	3,957,042
Canadian Red Cross Society (to Dec. 7, 1918)—	
Contribution in cash	7,771,083
Gifts in supplies (estimated)	13,500,000
British Red Cross Society (to Dec. 31, 1917)	6,100,000
Belgian Relief Fund (to Dec. 19, 1918)—	
Contributions in cash	1,642,104
Gifts in supplies (estimated)	1,512,800
Contributions from Canada to Y.M.C.A. for Military Work	4,574,821
Gifts from Dominion and Provincial Governments to Government of United Kingdom	5,469,319
To the above should be added miscellaneous gifts from various sources for many objects. These include contributions for the equipment and maintenance of hospitals overseas and in Canada, to the French, Serbian and Polish Relief Funds, to numerous associations for the supply of field comforts to troops overseas and for the care of returned soldiers. These contributions, together with other gifts for various patriotic purposes, on a conservative estimate amount to	8,000,000
Total	$95,391,376
The approximate total of voluntary contributions from Canada for war purposes is, therefore, over	$ 95,000,000

Of the various war organizations working in Canada, or amongst Canadian troops overseas, the most extensive in their operations are the Canadian Patriotic Fund, the Canadian Red Cross Society, and the Military Branch of the Y.M.C.A.

Canadian Patriotic Fund.—The Canadian Patriotic Fund is a national organization (covering all the provinces except Manitoba, which for this purpose is organized separately), the object of which is to give assistance where necessary to the dependent relatives, in Canada, of Allied soldiers and sailors on active service in the present war. The fund is administered locally through committees serving gratuitously. The committees act on general instructions from headquarters, and are given discretionary powers as regards the approval of applications and the amount of grants. The funds are raised by voluntary contribution. Since June, 1916, the expenditure in relief work of the Canadian Patriotic Fund has averaged about $900,000 a month. This sum has covered the assistance of from 50,000 to 60,000 families. The total has reached nearly $43,000,000.

Canadian Red Cross Society.—The Canadian Red Cross Society is organized in eight provincial and about 1,200 local branches. Its object is to furnish aid to sick and wounded soldiers as an auxiliary to the Army Medical Corps. The more important activities of the Society include the supply of equipment for Canadian military hospitals, grants to British and other hospitals, care of Canadian prisoners of war, and the collection and shipment of supplies of various kinds, including clothing for the refugees being repatriated in the devastated areas of Europe. The society has collected $7,771,083 in money and gifts to the value of more than $13,500,000.

Y.M.C.A.—The Military Branch of the Y.M.C.A. carries on its work with the troops overseas in France and Germany,

and in 76 centres in England. These include regular camps and units, base camps, convalescent camps and hospitals. In Canada there are 38 centres of operation, including camps, barracks, Red Triangle Clubs, hospitals, naval stations and troop trains. There were in 1917, 133 secretaries on the overseas staff with honorary commissions in the C.E.F. Of these, 50 received their pay and allowances from the Y.M.C.A., while the remainder were paid by the Government. In Canada, 100 civilian secretaries are employed for military purposes by the Association. More than $4,500,000 has been contributed for this work.

11. WOMEN'S WORK.

Statistics, however complete, can give only an imperfect impression of the services which Canadian women have rendered during the war. The following are a few facts which bear upon this subject:—

Nursing.—Women to the number of 2,400 have gone overseas in the C.E.F. and have served in England, France, Belgium, Egypt, Greece, and Russia. They were posted for duty in base hospitals, clearing stations, ambulance trains and hospital ships. There are also 527 on duty in Canada.

The casualties suffered by nurses were:—

Killed in France (in bombing raids)	4
Killed at sea (by submarines)	14
Died of disease	15
Died in Canada	6

The number of V.A.D.'s who have gone overseas is 342, who have served in hospitals in England and France.

The following decorations have been awarded to nursing sisters:—

Military medal	4
Royal Red Cross, First Class	43
Royal Red Cross, Second Class	149

Many hundreds of Canadian women are serving in Canada as Volunteer Hospital Probationers in military hospitals and in England under the Joint War Committee's Women's V.A.D. Department.

Miscellaneous Services.—Complete figures are not available to show the extent to which women in general commercial and industrial life have replaced men who were called to the colours. There are, however, many thousands of women in banks, offices and factories which, before the war, had an almost entirely male staff.

In 1918, more than 8,000 women were employed in banks and more than 600 in trust and insurance companies. These were not in all cases substitutes for men, as many women have been employed on account of the increased volume of business.

The number of women employed in munitions factories at one time amounted to 30,000.

Women commenced to take a share in agricultural work early in the war, and have worked on farms in all parts of the country.

More than 1,000 women have been employed by the Royal Air Force in Canada on a wide range of duties, including motor transport work.

Between 5,000 and 6,000 women were employed in the Civil Service for the most part on work created by the war.

About 75,000 women gave their services to assist in the compilation of the National Register in June, 1918.

Women's Organizations.—Women's clubs and societies all through the country since the beginning of the war have very generally diverted their energies to special war work, and have been of the greatest service.

Women's War Conference.—A conference of about 75 representative women from all provinces of the Dominion was called at Ottawa in February, 1918, on the invitation of the War Committee of the Cabinet. Those invited were asked to give special consideration to the relation of women to such matters as increased agricultural production, commercial and industrial occupations, the compilation of the National Register and the conservation of food.

The conference served a very useful purpose, particularly in the increased measure of co-operation which it made possible between the Government and women's organizations throughout the country.

Women's Franchise.—Reference should be made to the fact that by an Act of Parliament, 1918, Canadian women have received the Federal electoral franchise on the same basis as men.

12. NATIONAL REGISTRATION AND LABOUR.

In June, 1918, a compulsory registration was taken in which every person in Canada, man or woman, of sixteen years of age or over, was obliged to answer a series of questions relative to his or her usefulness for national purposes.

The registration was taken at about 25,000 places of registration, with the assistance of about 150,000 registrars. The returns show that about 5,000,000 persons presented them-

selves for registration and answered the necessary questions. The object of the plan was to effect a national stocktaking of the human resources of the country and the labour difficulties on the farms and in industry were made easier of solution with the information obtainable in the National Register.

Labour.—A conference between the War Committee of the Cabinet and representatives of organized labour was held in January, 1918. The subjects discussed included: the organization of man-power in Canada for the prosecution of the war, national registration, the conscription of alien labour, and the representation of labour on committees and commissions appointed by the Government.

13. WAR LIQUOR REGULATIONS.

During 1917 and 1918 the Federal Government issued a series of regulations controlling the liquor traffic for the purpose of preventing waste, and for the promotion of thrift, the conservation of financial resources, and the increase of national efficiency.

In November, 1917, it was forbidden by the Dominion Government, as a war measure, to use foodstuffs in the distillation of liquors. In the same month the quantity of malt manufactured, and the quantity of barley used in the manufacture of malt were both limited in the interest of food conservation.

Successive Orders in Council under the War Measures Act, 1914, were passed in December, 1917, and January, 1918, which prohibited the importation of intoxicating liquor into the Dominion.

At the end of 1916 the sale of intoxicating liquor was prohibited by provincial statutes in all the provinces save Quebec. In this province a prohibition measure has been passed which is to come into effect on the 1st of May, 1919.

In order to bring about national prohibition it was necessary for the Federal Government to supplement provincial laws and prevent both the manufacture of intoxicating liquor in any province of the Dominion and the traffic in this commodity between the provinces. This was done by an Order in Council passed in March, 1918, under the special powers conferred by the War Measures Act.

14. REHABILITATION OF RETURNED SOLDIERS.

THE DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT.

In February, 1918, a new Department of State was created, to be known as the Department of Soldiers' Civil Re-Establishment.

The Department has arranged, since the date of the armistice, for the distribution of questionnaire cards among the Canadian overseas forces, in order to ascertain the desires of the men with reference to the district to which they wish to be returned and the kind of work that they wish to take up.

Representatives of the departments overseas keep the soldiers informed as to the methods adopted in Canada to assist them back to civil life. In Canada, public education is being undertaken in order that employers and the public

generally will know what is expected of them in the successful carrying out of the civil absorption of the 300,000 or 400,000 soldiers.

The Employment Scheme.—For the men who have not their old positions awaiting them, the Government is conducting a survey of industries, that is to say, employers are being asked to state periodically what vacancies exist in their organizations.

The Government has also made arrangements to connect the soldiers with vacant positions. There are provided, in addition to employment bureaus, several other public employment offices through which a man can secure work without paying any fee. These offices are being co-ordinated into one system under the guidance of the Repatriation Committee, and others will be established, so that in each military dispersal centre and in every town of 10,000 population or more, there will be a demobilization employment office.

Retraining.—Every man discharged from the Canadian Expeditionary Force who has received a disability which prevents him from following his previous occupation in civil life, is entitled to retraining, free of charge, in some trade or profession of his own choice in which his disability will not prove a handicap. During such period of retraining the Government provides for the maintenance of his family or dependents.

Retraining is carried on in universities, colleges, technical and agricultural schools throughout the Dominion, with

special equipment in six centres and practical training, under actual shop conditions in the plants of leading manufacturers, is given in conjunction with the theoretical work of the classes. At the end of September, 1918, men were being retrained in not less than 158 occupations.

Industrial training, exclusive of any work carried on in hospitals or convalescent homes, has either been completed or was being taken by the following numbers of returned disabled men on the 30th of November, 1918:—

Interviewed		7,964
Granted retraining courses		7,176
Of these:—		
In course of retraining	2,828	
Completed training	1,984	
Discontinued training before date set for completion	862	
Granted course but not yet commenced	1,061	
Granted course but not accepted	441	

The reasons why a number of men have discontinued their courses are of considerable interest, and such cases may be divided into five classes:—

1. Ambitious men, whose training has stabilized them and who have taken situations before the end of their courses. 2. Men released during the summer months for intensive farming to meet the urgent demand for greater food production. 3. The large number absorbed by the military departments for clerical work, after only a part of their commercial courses had been completed. 4. Those for whom a recurrence of their malady has necessitated further hospital treatment. 5. Unstable men of restless temperament who, for the moment, have found the task of settling down to civilian life beyond their powers.

It is reasonable to expect that many of these men will resume training at an early date.

Medical Care.—The care of invalided soldiers is divided roughly into two stages: (1) Before discharge, by the Department of Militia and Defence, (2) after discharge, by the Department of Soldiers' Civil Re-Establishment, for life if necessary. For this purpose the Department has established a permanent medical service.

These two stages dovetail in connection with:—

(*a*) Occupational Therapy.—The Department of Soldiers' Civil Re-Establishment supplies the personnel and equipment for this work while soldier patients are still in military hospitals, the work being under the direction of the medical officer in charge of the hospital.

(*b*) Orthopædic Appliances.—The Department of Soldiers' Civil Re-Establishment manufactures artificial limbs and furnishes major and minor orthopædic appliances for all soldiers and ex-soldiers who are entitled to the same. These appliances are maintained in good repair during the life of the wearer. Orthopædic fitting depots are maintained by the Department for this purpose throughout the Dominion.

The Medical Branch of the Department of Soldiers' Civil Re-Establishment has eight functions or duties:—

1. Care of all cases of pulmonary tuberculosis. These cases are discharged from the army, as soon as diagnosed, for treatment under the Department.

2. The care of the permanently insane, epileptics, and feeble-minded.

3. The care of incurables and cases likely to be of long duration and requiring institutional treatment.

4. The manufacture and supply of orthopædic appliances, both major and minor.

5. The care of cases of recurrence of war disabilities.

6. Medical care of men undergoing industrial re-education.

7. Dental care of: (*a*) ex-soldiers undergoing industrial re-education; (*b*) cases in institutions under the control of the Department of Soldiers' Civil Re-Establishment; (*c*) defects of the teeth due to war service.

8. The care of out-patients, who are divided into two classes. Those in the first class are unable to work and are in receipt of full pay and allowances, but no pension is paid while they are under treatment. Their income is approximately that which they received while on military service. Those in the second class report periodically at clinics for treatment, their pensions are continued to them and they receive allowances in accordance with the amount of time lost when reporting.

On November 30, 1918, there was available accommodation for 3,223 hospital patients, including those in sanatoria and mental hospitals.

There were on the strength of the nine units of the Department 3,512 patients, classified as follows:—

In-patients	2,478
Out-patients class 1	639
Out-patients class 2	395

PENSIONS.

The Board of Pension Commissioners for Canada was constituted by Order in Council, dated June 3, 1916. The Commission employs 875 people. Of these 624 are employed at the head office in Ottawa and 191 at the district offices; 749 are either returned soldiers or the dependents of soldiers still on service.

Seventeen district offices have been established in the larger centres of the Dominion and have been found of great advantage. They afford the discharged men convenient bureaus of information where the pensions regulations can be explained personally to them by officials of the Commission.

Medical examiners are on the staff of each district office. They re-examine pensioners for continuance of pension, and when necessary for the adjustment of all complaints regarding awards.

Visitors also form part of the staff of each district office. Their duties include the paying of at least one visit annually to every pensioner. They investigate all cases of hardship and bring to the notice of the Commission any circumstances in which the appointment of guardians or administrators might result in preventing an improper expenditure of pension monies.

Disability Pensions.—Pensions are awarded, in accordance with the provisions of the regulations, for disabilities arising on service. These are divided into twenty classes according to the degree of the disability. In determining

an award, no reference is made to occupation prior to enlistment. The disability is the decisive factor in every case.

No reduction in pension is made by reason of the pensioner's ability to earn or because of his actual earnings. He is pensioned because of the loss or lessening of a natural function of the body. So long as this loss or lessening is present his pension continues. It is discontinued only when the disability has ceased.

Dependents' Pension.—Dependents, as designated by the regulations, of soldiers or sailors dying on service or as the result of injuries received or diseases contracted or aggravated on service are entitled to pension.

The Commission has exclusive jurisdiction over all matters relating to pensions' administration, as set forth in the regulations which are embodied in various Orders in Council. No appeals can be made from the decisions of the Commission but every applicant may present his or her case to the Commission either personally or by counsel.

The scale of Canadian war pensions is higher than that of any of the Allied countries. It is as follows:—

Private soldier for total disability	Per annum	$ 600 00
Widows	"	480 00
Parents	"	480 00
Children	"	96 00 to 144 00
Orphan children	"	192 00 to 288 00
Special allowances for helplessness, not to exceed	"	300 00

Pensions are being awarded at the rate of 137 daily.

The number and nature of and the annual liability for pensions, as at November 30, 1918, were as follows:—

Disability pensions	38,767	$ 6,012,846
Dependents	14,719	7,433,346
Totals	53,486	$13,446.192

LAND SETTLEMENT.

The Soldier Settlement Board.—The Soldier Settlement Act of 1917 makes provision for helping soldiers and sailors to settle on the land and for providing them with money with which to start farming. A Soldier Settlement Board has been established to administer the Act. The Board has its head office at Ottawa and branch offices at Montreal, Toronto, Winnipeg, Regina, Edmonton, and Victoria, with an Honorary Loan Advisory Board at each place. The Farm Loan Board in New Brunswick, the Returned Soldiers' Commission in Nova Scotia and the Department of Agriculture in Prince Edward Island will represent the Board in those provinces.

The privileges granted by the Act may be given to any person who has served during the war in the Canadian naval or military forces, or in the forces of the United Kingdom, or of any of the British Dominions or Colonies, or is a British subject, living in Canada before the war, who has served in the forces of any of the Allies, or is the widow of any person, described above, who died on active service.

The Board may make loans for the purpose of acquiring land for farming, the erection of farm buildings and the purchase of stock, machinery and equipment. The amount of every loan is to be based on the value of the land or other security given. Every loan is to be a first mortgage or

first charge on the land, is to bear interest at the rate of 5 per cent per annum and is to be repaid in equal annual instalments in not more than twenty years.

Arrangements have been made for determining each applicant's fitness for farming, for giving him instruction, if necessary, before he begins farming, and for giving supervision and help to those who have settled on the land.

The present plans deal chiefly with the settlement of men on Dominion lands. It is proposed to arrange for the acquisition of other lands and for the expropriation of unused land for the purposes of the Act.

HOUSING.

The Government has appropriated the sum of $25,000,000 for housing in Canada. The object of the Government is to provide houses for workingmen, particularly returned soldiers, at the actual cost of building and land acquired at a fair value, thus eliminating the profits of the speculator. The Government have appointed a Committee of the Cabinet to administer the loan.

The money will be lent direct to the Provincial Governments, all loans for housing purposes will be administered through them, and each province has to prepare a general scheme. Frame and veneered houses must not exceed $3,500 in cost, and brick, concrete, and stone houses $4,500 in cost. The money will be lent for twenty years, or in special cases for thirty years. The Government is recommending that the sites and buildings should be properly planned, in accordance with modern principles of town planning and architecture. It is hoped that the Federal Branch of the

Administration will be useful to the different provinces as a clearing house for comparative information regarding details of schemes, methods of standardization of dwellings, costs of construction, town planning procedure, methods of expropriating land for schemes and model plans of dwellings.

THE KHAKI UNIVERSITY.

An educational plan has been established in connection with the Canadian forces under the name of the Department of Educational Services, popularly called the Khaki University.

The Khaki University is under the control of the Department of Militia and is recognized by the Canadian universities. In addition to the funds supplied by the military authorities, a large amount of money has been put by the Y.M.C.A. at the disposal of the committee for carrying on the work.

The teaching is done almost entirely by voluntary instructors, chaplains and Y.M.C.A. secretaries, as well as officers, n.c.o.'s and men who had previously been in the teaching profession.

Many libraries have been established in the Army areas in England and France, and over 12,000 men have registered in Khaki University classes in England.

The work which has been organized in the training centres in England and, as far as possible among the troops in France, will be carried on and developed even during the period of demobilization.

THE REPATRIATION COMMITTEE.

A Committee of the Cabinet has been appointed and charged with the duty and responsibility of securing the closest co-operation of all the departments of the Government and of other agencies now existing, or to be created for the purpose of dealing with: (*a*) the absorption into civil life and occupation of discharged soldiers, (*b*) labour conditions which may arise from industrial dislocation and readjustment.

An office has been opened at Ottawa the staff of which is in continual communication with Dominion and Provincial Government Departments, municipalities and voluntary organizations.

THE DEPARTMENT OF PUBLIC INFORMATION.

This department, which is under the President of the Privy Council, has two branches, of which one issues the *Official Record*, sends Canadian news to soldiers at the front through the *Canadian Daily Record*, and issues information to newspapers. The other branch, which deals with lectures, pamphlets and moving picture films, works in close touch with the Repatriation Committee.

15. WAR RECORDS.

OFFICIAL AND ACCREDITED REPORTS.

An official eye witness with the Canadian troops at the front was appointed early in 1915. In the autumn of that year this post was abolished and an accredited press correspondent substituted. The reports of the eye witness and the press correspondent constitute a contemporary narrative of the doings of the Canadians in the field.

THE CANADIAN WAR RECORDS OFFICE.

This office was established in London in March, 1916, to prepare, collect and preserve records of value for the history of the Canadian forces serving in the war. These records include: (1) newspaper clippings and published books; (2) the official gazettes of the United Kingdom, Canada and France; (3) regimental publications (trench papers, etc.); (4) official communiqués and press reports; (5) Canadian military badges; (6) replicas of regimental colours; (7) reports of the history of the organization of each unit of the Canadian Expeditionary Force; (8) other historical papers of such units; (9) general and routine orders; (10) lists of honours and awards to Canadians, with statements of the services for which each was granted, and photographs of the recipients; (11) maps of all areas and actions in which Canadians have served; (12) narratives of events at the front, by actual participants; (13) copies of official documents, maps and photographs, having special historical value, many of which are secret; (14) a complete photographic record of the Canadians in the field, prepared by the photographers of the office; (15) sketches and paintings of historical scenes; and much miscellaneous matter.

WAR ARCHIVES SURVEY.

In April, 1917, the Public Archivist was empowered to make a survey of all the war activities of Canada, and prepare a complete key to all classes of public war records, and to all the departments, agencies, etc., in which they originate. This key will ensure that all Canada's records

will be preserved and organized, ultimately, in such a way as to be available and intelligible for historical and other uses. In pursuance of this plan, a Canadian Special Mission visited Europe and obtained reports on all Canadian war work overseas. These reports, in fifteen large volumes, are deposited in the Public Archives at Ottawa.

THE WAR MUSEUM.

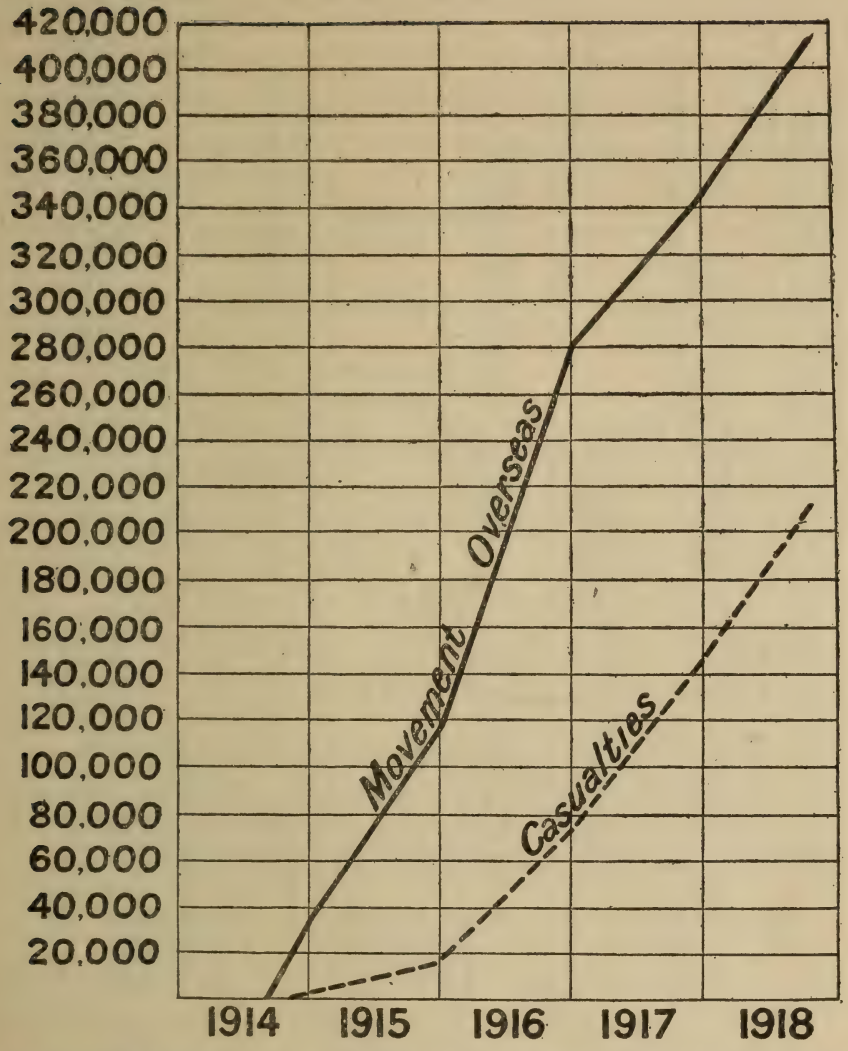
An Imperial War Museum, with a Canadian section and a Canadian representative, is to be established in London. It will contain war trophies of every description. A similar collection has been secured for Canada.

Origin.—The war trophies now possessed by Canada may be divided, as to their origin, into the following classes: Articles given by the British Government, articles presented by France, articles forwarded by the Canadian overseas military forces, and finally articles gathered under the control of the Director of War Trophies.

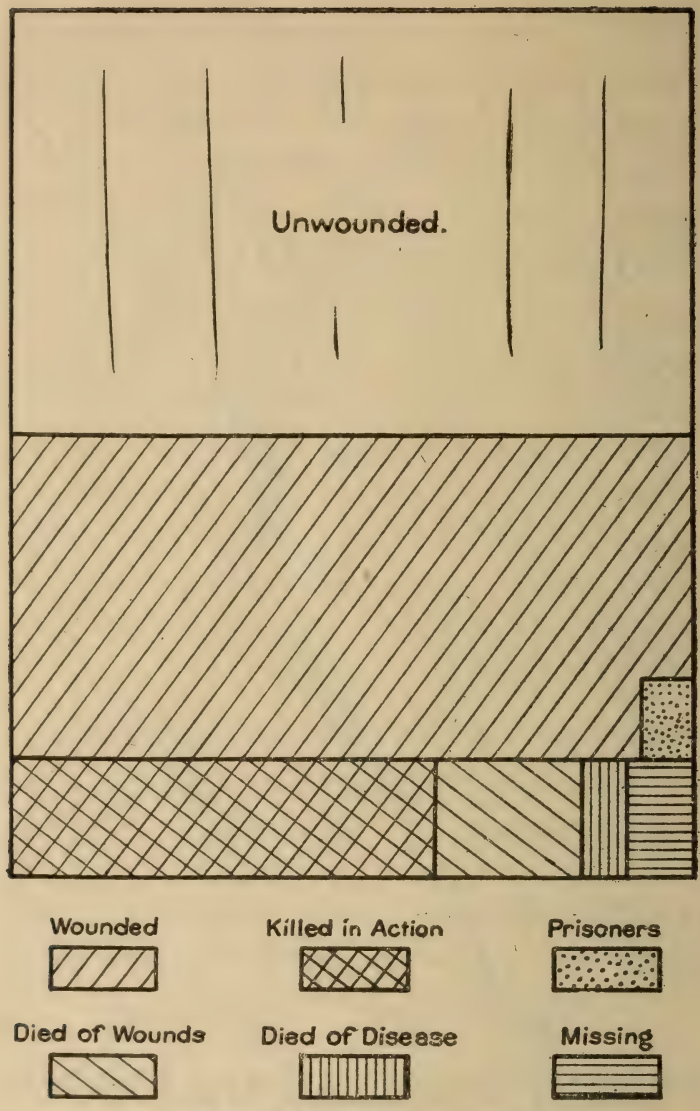
Present Situation.—The war trophies are now divided into two collections. The first one is in Canada touring the more important cities and will be returned to Ottawa about the middle of April.

The second collection has been in the United States since last March, touring the country, at the request and at the cost of the American Government, with the Allied War Exhibition. By the end of 1918 it had visited seven cities and had been seen by more than four million people. It is intended to keep the exhibition going until March.

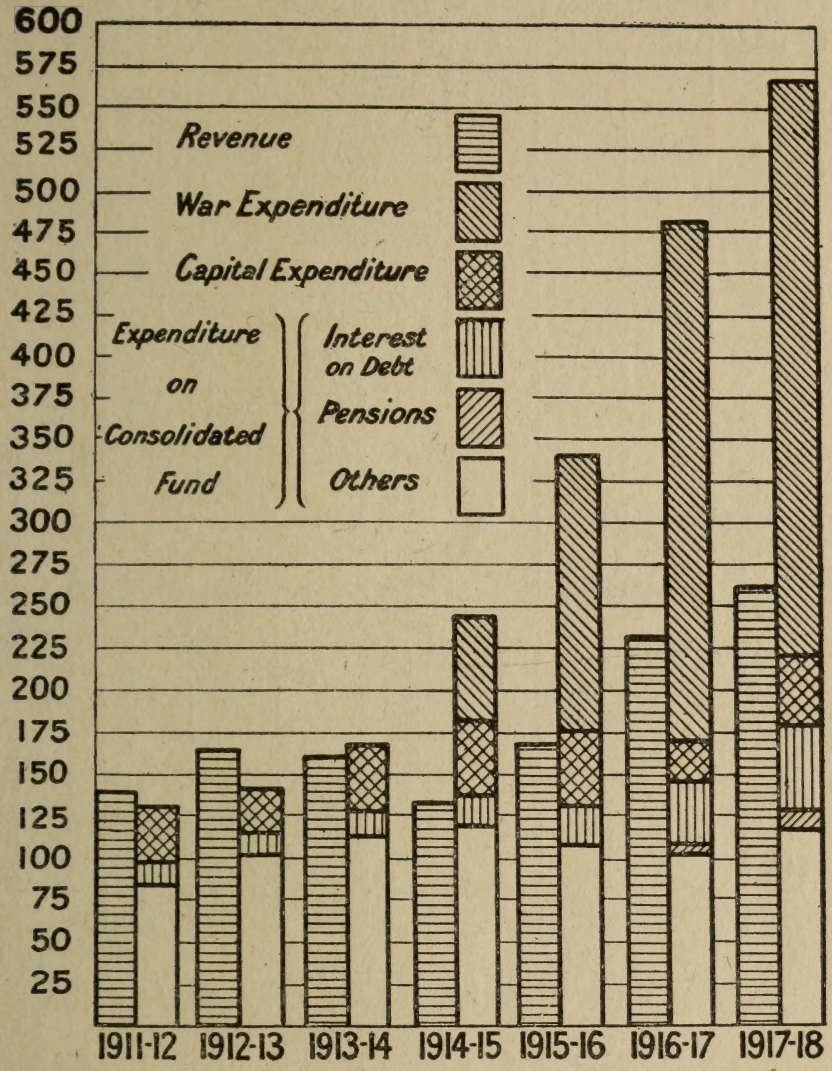
A committee has been appointed to deal with the question of housing and exhibiting these collections.



MOVEMENT OVERSEAS AND CASUALTIES
OF THE
CANADIAN EXPEDITIONARY FORCE

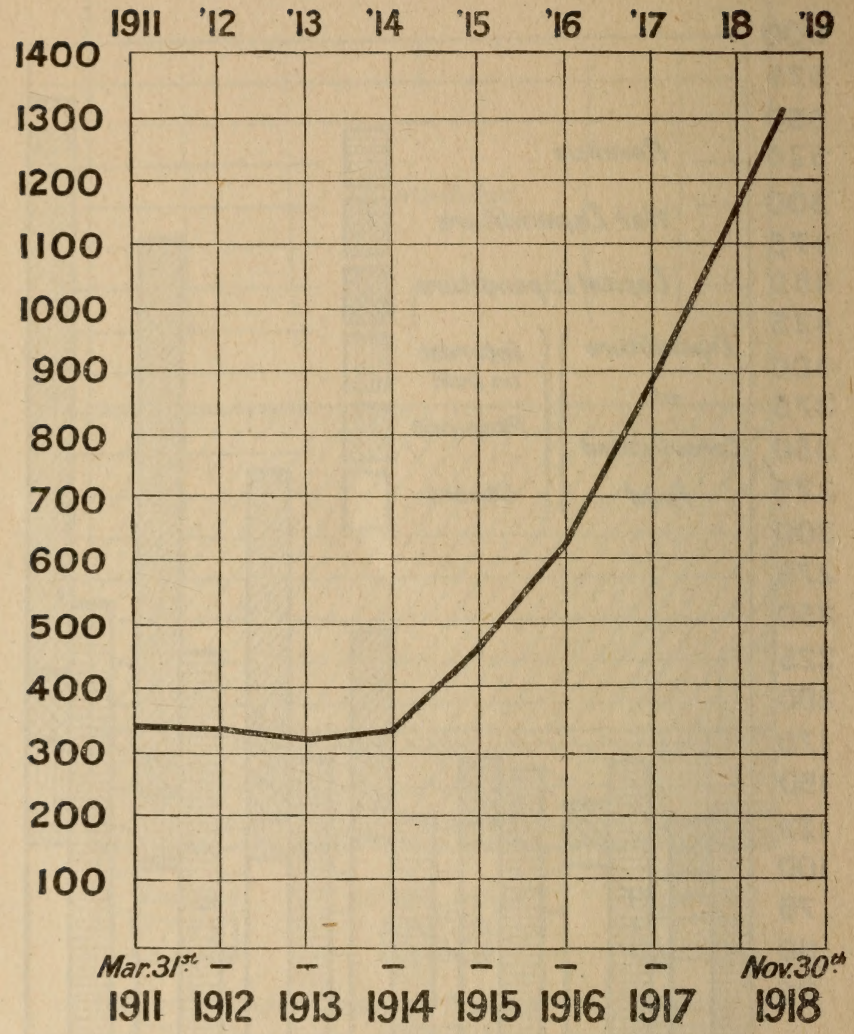


CASUALTIES IN THE
CANADIAN EXPEDITIONARY FORCE



REVENUE AND PRINCIPAL EXPENDITURE OF CANADA

(In Millions of Dollars)



GROWTH OF THE CANADIAN PUBLIC DEBT

(In Millions of Dollars)